

ADDRESS OF J. STROM THURMOND, GOVERNOR OF SOUTH CAROLINA TO THE JUNIOR-SENIOR BANQUET OF FURMAN UNIVERSITY, GREENVILLE, SOUTH CAROLINA, MAY 15, 1948.

Mr. Chairman, Distinguished Guests, and Ladies and Gentlemen:

Tonight/I have chosen to speak to you upon a subject/which, with the passage of the years since I was a student at Clemson, has come closer to my heart. At this time of the year 1923, when I was about to be graduated, I was giving considerable thought to my future.

I had a natural desire to stay in the South, and particularly in South Carolina. However, there was no question at that time, and for years to come, that other sections of our country offered far greater/personal economic opportunities. The question I had to decide/was whether to stay and grow with our State, or go elsewhere.

In 1923, from outward appearances, the South was in bad economic shape. The war boom had died. There was unemployment. Bank after bank/had failed. Agricultural prices were low. ^{UPON} finishing college, many young men and women, foreseeing gloomy days ahead, left for greener pastures.

That was the dark side/of the picture. But, there was a brighter side, a far brighter side, which could be seen with a little thought. The South, which for many years had suffered virtual prostration/as an aftermath of the War Between the States, was awakening. It was slowly discovering a fact/which has since emerged with startling clarity. This was/that the South had a future/far different from that pictured by the theorists who maintained/that it was destined to remain

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a vast area/which must meagerly exist on an agricultural economy.

Its very lack of development was a portent of great things to come.

Let's examine the factors making for prosperity/which were present in 1923, and which are present now 25 years later, while you juniors and seniors of Furman are thinking of your future careers.

South Carolina had a plentiful labor force/waiting to be utilized. This labor force was intelligent, loyal, and almost entirely American-born; the percentage of foreign-born was so small as to be completely negligible. The cost-of-living in the South was considerably lower than in other parts of the country. ~~That~~ means/that for a lower salary, a worker could enjoy a better standard of living/than a higher paid worker elsewhere. This presented an inducement to industries/to organize within the South, and for industries in other sections to move here.

South Carolina had an extremely fine climate/which contributed to better health of the workers, better working efficiency, and made heating no problem factor of large importance/in industrial operations in other sections of the country. There was good distribution of rainfall during the year; there was no wet or dry season or shortage of water to plague industrial operations.

South Carolina had tremendous potentialities for cheap power, which were then being developed/into our magnificent electric system of today.

South Carolina had a firm, sound industrial structure/which was

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on the verge of fairly rapid development.

South Carolina had an infinite number of natural resources/which were being barely tapped, and were often overlooked entirely.

Against these positive factors which augured prosperous and rapid growth, however, South Carolina also presented several unfavorable features.

Because of the lack of technical, industrial, and trade schools, our labor force, while indeed plentiful, was relatively unskilled and generally fit ~~only~~ for ^{only} the more mechanical tasks.

South Carolina and the South/were suffering from discriminatory freight rates/which were imposed upon us after the War Between the States/and which severely penalized Southern industrial growth. It cost us more money to ship manufactured goods than it did our competitors in the North, and this difference had to be made up, in part, by paying lower wages to Southern workers.

The South, while it had sufficient capital, was slow to risk it in the South, for here the return was likely to be lower/and less certain than in the North, where the industrial system was well developed.

Above all, South Carolina lagged far behind other States in the modern industrial-relations technique - it had no agency devoted to selling the State to prospective industries by advertising, computing prospectuses, and making active efforts to induce industries to move here.

Those bad features have now, 25 years later, been largely corrected, and the result is that South Carolina stands before the open door of

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opportunity.

Our labor force is well on the way to becoming skilled labor, both/as a result of the war and our own educational system in the State. The Area Trade Schools, instituted in the State last year, offer great promise for the future/when the era of industrial expansion will be upon us. We are actively preparing for that time.

By experience, Southern capital has learned that the South is one of the best^{sections}, if not the best, ~~sections~~ for industrial investment. In many cases, far greater profits/can be realized in South Carolina than elsewhere.

Through the determined efforts of the Conference of Southern Governors, the discrimination in freight rates will soon be a thing of the past, and our manufacturers will be able to compete on an equal basis/with the manufacturers of the nation. As Chairman of the Freight Rate Committee of the Southern Governors' Conference, I am proud of the part our State has played in eliminating this iniquitous situation. The historic decision of the Supreme Court of the United States/instituted a change in the national policy/which was imposed upon us in the dark days of Reconstruction. The "crown colony" status of the South, in which we have received little for our raw materials, and have paid high prices for manufactured goods, has severely hampered our industrial and social development. Suffering from a very unfavorable trade balance, we have had far too little money/to provide the higher standards of health, education, and welfare which some other sections of

the Nation enjoy. But now/we shall move more nearly into our rightful place in the economy of the United States.

To secure our proper share in industrial development, the State Research, Planning and Development Board was established in 1946. This board has borne out the promise which it offered. It has pointed out the manifest advantages of our State as a location for businesses, and it has been spectacularly successful. When a business, large or small, begins looking for a location, it has to consider many factors, and data should be readily available for its consideration. The State Research, Planning and Development Board has ably secured such data/ and presented it most effectively/ in competition with such boards of other States. During 1947, new plants valued at \$8,896,000 started operations in our State. Plants now under construction and scheduled to begin operating this year/ are valued at \$45,000,000. From the middle of 1946 through this year, some 950 plants scheduled construction and expansion/ involving an estimated capital outlay of more than \$120,000,000. So successful have South Carolina and the other Southern States been in this regard/ that recently the Lieutenant Governor of Massachusetts whined publicly/ that the South was "kidnapping" industries from the North. That shows what organized effort and fair treatment can do/ toward alleviating the conditions under which we have suffered so many years.

The industries which are being established in South Carolina are diversified, and that is a most encouraging sign. Twenty years ago,

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who would have thought that South Carolina would produce steel? Or rayon? Or plastics? Or many other things which we now accept as a matter of course? Those industries did not come into our State for nothing. They came because we had more to offer than other States.

The 16 Southern States comprise a third of the 48 States; they have a third of the land area of the United States; they have a third of the population of the United States. With energetic leadership, we can attain and probably surpass/a third of the Nation's income. But at the present time, we fall far short. For instance, the per capita income in South Carolina is \$729 a year while that of the United States as a whole is \$1,200.

Here is an evaluation of the South's position by an outstanding economist (Frederick H. McDonald):

"The South should be the richest region on the North American continent. Yet, the statistical smallness of our incomes and wealth/causes many Americans to regard the South as the poorhouse of the United States....That poorness does not mean we are paupers. It means that we are not as rich as others are/in parts of our country, which are harder to live in, and which do not have the advantages nature has given us....That is a paradox....We have inherited a dependence upon the leadership of others/which has kept us from exploiting our own El Dorado. We have resorted to pleading our cause with an energy which - in productive effort - could banish our outlook of dependence.

"That outlook is a habit....But too much of that activity is merely

an intensification of our old call upon high government, outside capital and the energy of strangers/to convert our rich opportunities into a productivity that still fails to enrich us....It is time to realize that the 40,000,000 people/who now inhabit the area from Maryland to Texas/are as many as there were in the United States in 1870 - that there are independent nations with a lot less people - and that a population of 40,000,000 consumers is so big a market/that every day hundreds of producers from beyond the South/are setting up branch operations in the South/to supply us with products we can make ourselves.... The South will achieve its full enrichment/when our own leaders organize its natural productivity for home ownership."

While there is a great distance for the South yet to go before we attain that ideal, we are well on our way. The United States Department of Commerce, recently reviewing Southern conditions, came to the following conclusions:

1. While income levels are lower in the South than in other regions (though moving upward rapidly), they present an opportunity of unusual importance, for they mean a very large undeveloped consumer market/for goods and services of business and industry/in the South and nationally.

2. Southern income gains in recent years reflect remarkable forward strides in the diversification of agriculture/and in increased industrial and business capacity, production, and employment.

3. Given continued high levels of economic activity nationally

and the considerable resources of Southern manpower and materials remaining to be developed, there is no reason to expect the upward trends to be reversed/and much reason to assume that they will continue to rise.

The Department of Commerce noted that each of these trends can be traced back for many years.

In particular reference to South Carolina, it is interesting and gratifying to note the relation of our per capita income to that of the average per capita income of the United States. In 1929, it was 37 per cent of the national per capita income. In 1940, it was 50 per cent, in 1945 it was 58 per cent, and in 1946 it was 61 per cent.

It used to be said, with perfect truth, that the South was the Nation's No. 1 economic problem. But that is no longer true. The South is the Nation's No. 1 economic frontier, and this is particularly true of our own State.

Your future in South Carolina can be great. All the elements are here/to make possible profitable and gracious living. The quality of leadership in Southern men and women has always been strong, and it has been a sad thing for the South/that that leadership has been drained into other sections of our country. The place for leadership is here.

You men and women of Furman can do much to build our State. Your vision and imagination/can help bring South Carolina back/to the leading position/it occupied in the earlier days of our history.

Whatever positions you may occupy, whatever professions you may

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choose, we need you in your own State. You are the hope of this
generation, and you will not fail your destiny.